

VIRGINIA DEPARTMENT OF HEALTH (VDH)
OFFICE OF DRINKING WATER (ODW)
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

RETURN APPLICATION TO:

Virginia Department of Health
Office of Drinking Water
109 Governor Street, 6th Floor
Richmond, VA 23219
(Voice: 804-864-7501)
(FAX: 804-864-7521)

Note: Submit two complete and signed applications and two copies of all required attachments

**APPLICATION FOR CONSTRUCTION
OR REFINANCE FUNDS**

Application also available at: <http://www.vdh.virginia.gov/odw/financial/dwfundingprogramdetails.htm>

Year-Round Submittals Accepted

PRE-REQUIREMENTS FOR FUNDING

Applicants who have been debarred or suspended are not eligible for funding.
If you answer **YES** to these questions; **STOP** as you are not eligible to apply for funds.

1. Have you been debarred or suspended from applying for state or federal funds? ☐ Yes ☐ No.
2. Is your waterworks state or federally owned? ☐ Yes ☐ No.

PRE-REQUIREMENTS FOR CONSTRUCTION

If you answer **NO** to any of these questions; **STOP** as you are not ready to apply for construction funds.
Please contact us to work with you on planning the project.

1. Are you either a community or non-profit noncommunity waterworks? ☐ Yes ☐ No.
2. Do you have a Preliminary Engineering Report (PER) or letter waiving it by ODW's Field Office? ☐ Yes ☐ No.
3. Source – ☐ Yes ☐ No.
Do you have an adequate drinking water source or source agreement contract?
If yes, provide documentation from ODW's Field Office that the source or contract is adequate.
☐ Not Applicable-project is for new well.
4. User Agreements for new service area customers - ☐ Not Applicable
Do you have executed agreements or commitments from your initial survey from a majority of customers in the project area? ☐ Yes ☐ No.
If yes, please provide an area map indicating existing potential connections and indicating those committed.
NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.

PRE-REQUIREMENTS FOR REFINANCE

IF eligible and funds are available the offer will be a 20-year loan with the interest set at the core term rate.
If you answer **YES** to any of these questions; **STOP** as you are not eligible to apply for funds.

1. Refinance funding for drinking water infrastructure debt:
 - a. Are you a privately owned waterworks? ☐ No. ☐ Yes (Not eligible!)
 - b. Is this refinance request limited to debt on drinking water infrastructure? ☐ No. ☐ Yes (Not eligible!)
 - c. Was the debt incurred for construction with an initiation date prior to July 2, 1993? ☐ No. ☐ Yes (Not eligible!)

APPLICATION FOR CONSTRUCTION FUNDSAlso available at: <http://www.vdh.virginia.gov/odw/financial/dwfundingprogramdetails.htm>**SECTION A – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION**

1. Project Name: _____ Location (City/County) _____
2. Waterworks type:

<input type="checkbox"/> Publicly-owned community	PWS ID number: _____	System Name: _____
<input type="checkbox"/> Investor-owned community	PWS ID number: _____	System Name: _____
<input type="checkbox"/> Nonprofit noncommunity	PWS ID number: _____	System Name: _____
<input type="checkbox"/> None of the above	Explanation: _____	
3. Legal Owner of Waterworks or Authorized Agent
 - a. Name: _____
 - b. Address: _____

Street Address/P.O. Box
Town/City
State
ZIP
 - c. Contact Person: _____
 - d. Telephone Number: _____ Alternate Number: _____
 - e. FAX Number: _____ E-mail Address: _____
 - f. Federal DUNS #: _____ CCR # _____
4. Engineering Consultant (If applicable)
 - a. Firm Name: _____
 - b. Address: _____

Street Address/P.O. Box
Town/City
State
ZIP
 - c. Preferred Contact Info:

Contact Person: _____	_____
Name	Title
Telephone Number: _____	Alternate Number: _____
E-mail Address: _____	Alternate E-mail Address: _____
FAX Number: _____	

SECTION B – APPLICATION CERTIFICATION

Submittal of this application is only a starting point for discussion and is not a binding agreement on either party.

Incomplete information may result in the delay or rejection of the application request.

The undersigned representative of the applicant certifies that the information contained herein and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

Owner or Chief Administrative Officer of Waterworks:

NAME and TITLE: _____

ORGANIZATION: _____

SIGNATURE : _____ DATE: _____

SECTION C – REQUIRED ATTACHMENTS – Please check those attached and label your attachments with corresponding numbers (i.e. C-1, C-2, etc.).

1. Other Funds Available (e.g. Letters of conditions, award letters, etc.)
2. Refinance savings (if applicable)
3. Outstanding debt amount and with whom
4. Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
5. Project issue documentation.
6. Median Household Income – including site income surveys if census information not at project level.
7. VDH's 4 page Construction Project Schedule.
8. Results of user agreement/commitment initial survey with project map.
9. Adequate drinking water source or source agreement contract – VDH approved.
10. Preliminary Engineering Report or VDH-Office of Drinking Water letter waiving this requirement.
11. Explain status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.)
12. Current rate schedule for water and sewer and connection fee for water and date of last increase.
13. Monthly average of residential water usage.
14. Listing of 10 largest sewer users and estimated monthly flows per user.
15. Listing of 10 largest water users and estimated monthly consumption per user.
16. Basis for O, M & R cost for proposed project and existing system.
17. One copy of the latest interim (unaudited) financial statement.
18. One copy of the current year budget.
19. One copy each of the three most recent (2011 through 2013) annual audits (or Tax Returns for individuals).
20. For the proposed project – a six-year cash flow analysis of revenue – using VDH project only template- and expenses (operating budget) showing as a bottom line funds available for debt service.
21. For the entire waterworks including proposed project(s) – a six year cash flow analysis – using VDH overall waterworks template- of revenue and expenses (operating budget) showing as a bottom line funds available for debt service.
22. Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system lines and tanks from cracks, leaks, and tank overflows divided by total water production. Should match Section G.1.f.
23. Asset Management Plan (as described in Section J).

Items 10 and 19 may be submitted in PDF format on a CD provided 2 copies of the CD are submitted.

Items 20 and 21 may also be included in spreadsheet format on the CDs.

The following are the only items required for a Refinance application – Items: 1, 2, 3, 4, 17, 18, and 19.

SECTION D – PROPOSED PROJECT DESCRIPTION – Provide Documentation

Please provide a brief summary and a detailed project description including a map/sketch depicting the project area and proposed facilities including length of waterlines, storage tank(s) sizes, etc. (Sketches on 8 ½ by 11 portions of topo sheets are adequate.)

I. Brief Summary – 3 sentences or less for each A, B, and C.

A. Briefly describe the problem to be corrected.

B. Briefly describe the proposed project by size (e.g. diameter, volume, pump capacity) and units (e.g. linear feet for pipe and number for tanks and pump stations).

C. Briefly describe the benefits to be realized upon successful completion of the project.

II. Demographics

A. Describe income levels in the proposed project area.

B. Describe the community that benefits from the proposed project.

C. Describe the type, number, and stories of structures (primary residences, vacation homes, industrial buildings, etc.) and amount of vacate land served by the project. Is this project large enough to be identifiable via census information? If so, please provide the project mapping marked to show census block/tract etc. information as Attachment C-6. For small projects (less than 75 homes), provide tax map information showing parcel number, owner, and valuation.

D. SECTION E - PROPOSED FINANCING1. Construction Funding for this Project \Rightarrow *(Refinance projects skip this part)*

a. VDH Funding Assistance Needed \$ _____ (Only include SRF eligible items)

b. Other Funds Available: – **Provide documentation as Attachment C-1.**

	<u>Source Dollars</u>	<u>Source Name</u>	<u>Status of Securing Other Funding</u> (Approved, pending, indicate loan terms, and date available, etc.)
1 a. grant	_____	_____	_____
b. loan	_____	_____	_____
2 a. grant	_____	_____	_____
b. loan	_____	_____	_____
3 a. grant	_____	_____	_____
b. loan	_____	_____	_____
4 a. grant	_____	_____	_____
b. loan	_____	_____	_____
Subtotal:	_____		

c. Total Project Cost (1a + 1b) = \$ _____ (should match Section H)

2. Refinance Funding for DW Infrastructure Debt \Rightarrow *(Construction projects - skip this part)*

a. VDH Funding Assistance Needed \$ _____ (Only include drinking water debt)

b. Are you a privately owned waterworks? ☐ No. ☐ Yes (Not eligible!)c. Was the debt incurred for construction with initiation (notice to proceed) date after July 1, 1993? ☐ Yes. ☐ No (Not eligible!)d. What will the interest savings be? **Provide documentation as Attachment C-2.**

e. Who issued this debt? _____

f. Origination date of the debt obligation to be refinanced _____

3. Type of security applicant anticipates giving for the loan: *[Check All Appropriate Type(s)]*☐ Pledge of Revenue of the Water System Only.☐ Pledge of Revenue of Water and Sewer System.☐ General Obligation of the Locality.☐ Other – Describe: _____
_____4. Do you have any outstanding debt related to the water and sewer system? ☐ Yes ☐ NoIf yes, have you requested that new debt be issued on parity with the old? ☐ Yes ☐ No**Provide documentation as Attachment C-3.**

SECTION F - PROJECT ISSUES – Provide documentation as Attachment C-5 of each yes answer.

Presented here are relative issues that need consideration for construction projects:

1. Health Issues	<u>Yes</u>	<u>No</u>
Is there a <i>Surface Water Treatment Rule</i> violation, i.e., inadequately treated surface water or groundwater under the influence of surface water?	<input type="checkbox"/>	<input type="checkbox"/>
Are there persistent <i>Total Coliform Rule</i> or nitrate standard violations?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a continuing <i>Boil Water Notice</i> in effect?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a Health Hazard declaration by the State Health Commissioner, a State Declared Emergency, or have you been issued a formal enforcement order?	<input type="checkbox"/>	<input type="checkbox"/>
Are there inadequate individual water supplies documented via report and letter by the District Health Director to show health hazards?	<input type="checkbox"/>	<input type="checkbox"/>

Provide as **Attachment C-5** supporting report and data with representative samples from at least 25% of the homes in the project area. The samples are to be evenly spaced and all potential line segments sampled. The project map will illustrate the results and problem areas.

Are there persistent PMCL violations for contaminants such as VOC, SOC, IOC, RAD etc.? (circle: VOCs, SOC, IOC, RADs etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Are there Lead and Copper Action Levels Exceedances?	<input type="checkbox"/>	<input type="checkbox"/>
Does the waterworks have an Enforcement Targeting Tool (ETT) score ≥ 11 ?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project resolve conditions of inadequate quality and quantity of a groundwater source water supply?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project ensure that drinking water receives appropriate treatment to protect the health of the consumers?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project prevent conditions favoring the entrance of contaminants into the distribution system, e.g., inadequate pressure, inadequate storage, system water losses, etc.?	<input type="checkbox"/>	<input type="checkbox"/>

2. Median Household Annual Income of area to be served _____ Use the census block or latest update for county/city/towns. Provide project specific income survey data for those projects not large enough to be identifiable via census information.

If you have applied or will apply to other funding agencies that require an income survey, attach the results to this application. For efficiency consider doing income and user agreement surveys at the same time.

Provide Documentation of Basis/Referenced Source as Attachment C-6 _____

3. Regionalization – Will this project consolidate non-complying waterworks? Explain below:

4. Readiness to proceed

- (a) Please provide documentation as **Attachment C-4** that your controlling board, council, president, etc. has approved this project submittal.
- (b) New construction timeline – To provide these answers, USE and submit the attached Construction Project Schedule as **Attachment C-7**.
- (c) For new service area customers, please document number of user agreements or commitments obtained in initial survey _____; _____ residential, _____ other.
This initial survey must obtain executed agreements or commitments from at least a majority of the homes in the project area. Continuation of the initial survey is a requirement and the final survey result is intended to obtain 80% or more for the project to be feasible from a positive cash flow perspective. Provide as Attachment C-8 a project map indicating existing potential connections and indicating those committed. NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.

- (d) Provide documentation that an adequate drinking water source or source agreement contract is available and that VDH Field Office has approved as **Attachment C-9**. The source agreement contract can be contingent on VDH approving the project construction.
- (e) Please provide a copy of either the Preliminary Engineering Report or VDH-Office of Drinking Water letter waiving it as a technical requirement for the project as **Attachment C-10**.
- (f) **Explain/include as Attachment C-11** status of necessary permits (401/404, VPDES, Groundwater withdrawal, etc.)

SECTION G -STATISTICAL DATA

1. Water Usage and losses: - **Provide supporting documentation as Attachments C-13 and C-22**

- a. Existing/current number of total connections _____ and population _____.
- b. Existing/current number of residential connections _____ and population _____.
- c. Projected/future number of residential connections after project _____ and population _____.
- d. Projected/future total connections of the project _____ and population _____.
- e. What is the current monthly average number of gallons of water used per residential connection? _____ gallons/month.
- f. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g. firefighting) should be excluded.
Water losses as a percentage of total production. = _____%

This percentage includes: ☐ Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)
☐ Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])

2. Individual water meters are on:

- ☐ All services
- ☐ Only commercial accounts
- ☐ Only residential customers
- ☐ Some services: Provide additional information: _____
- ☐ None are metered.

If none are metered, is metering included in this project? ☐ Yes ☐ No.

Explanatory statement, if appropriate:

3. Rates: **Attach rate schedules as Attachment C-12**

- a. Existing monthly charges (explain here):
Water

Sewer
- b. When were rates last increased? **Please provide dates and amount/percentage of increase as Attachment C-12.**
Water

Sewer
- c. What is your connection fee for water?
- d. Are rate increases anticipated as a result of this project? ☐ Yes ☐ No
If yes, please provide the amount and percentage increase expected and the anticipated effective date for the increase(s).

4. Sewer Users

- a. Service Area Jurisdictions
- b. # of Existing Residential
- c. # of Project Residential

	Connections	Connections at Completion of Construction
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. As **Attachment C-14**, identify Ten (10) Largest Users of the Sewer System and Estimated Monthly Flows per user.

5. Water Users

a. Service Area Jurisdictions	b. # of Existing Residential Connections	c. # of Project Residential Connections at Completion
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. Existing drinking water usage _____ gpd. _____ % residential _____ % nonresidential

e. As **Attachment C-15**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

SECTION H – CONSTRUCTION PROJECT BUDGET INFORMATION – From PER based on existing PWS’s financial statements

- | | |
|--|----------|
| 1. Administration, Legal Expense (should be less than \$10,000 each) | \$ _____ |
| 2. Land, Right-of-Way | \$ _____ |
| 3. Architectural Engineering Basic Fees | \$ _____ |
| 4. Other Architectural Engineering Fees | \$ _____ |
| 5. Project Inspection Fees | \$ _____ |
| 6. Other (Explain) _____ | \$ _____ |
| 7. Treatment Plant Construction | \$ _____ |
| 8. Pump Station Construction | \$ _____ |
| 9. Distribution System Construction | \$ _____ |
| 10. Storage Tank Construction | \$ _____ |
| 11. Equipment Purchase/Installation | \$ _____ |
| 12. Contingencies _____ No more than 5% of the construction costs | \$ _____ |
| 13. TOTAL (should match Section E) | \$ _____ |

SECTION I – FINANCIAL DATA

1. Annual Operation, Maintenance and Replacement (O, M & R). Estimated Cost for Proposed Facilities:-From PER based on existing PWS’s financial statements

- | | |
|---------------------------|----------|
| a. Labor | \$ _____ |
| b. Utilities | \$ _____ |
| c. Materials | \$ _____ |
| d. Water Purchases | \$ _____ |
| e. Outside Services | \$ _____ |
| f. Miscellaneous Expenses | \$ _____ |
| g. Equipment Replacement | \$ _____ |
| h. Total O, M & R Cost | \$ _____ |

Provide documentation as Attachment C-16 for basis of estimate (i.e. financial statements)

2. Estimated Annual Water Facilities Costs - From PER based on existing PWS’s **Financial Statements**

- | | |
|--|----------|
| a. Net O, M & R (for existing water facilities)
USE Financial Statements | \$ _____ |
| b. Existing Annual Debt Service for water system
USE Financial Statements | \$ _____ |
| c. O, M & R for Proposed Facilities | \$ _____ |
| d. Total (Sum of a+b+c) | \$ _____ |

3. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue

- | | |
|-------------------|---------|
| a. Residential | _____ % |
| b. Nonresidential | _____ % |

4. For the proposed project - Provide a six-year cash flow analysis as **Attachment C-20** -using VDH project only template- of revenue and expenses (operating budget) showing as a bottom line the funds available for debt service.

5. For the entire waterworks - **Provide** a six-year cash flow analysis as **Attachment C-21** – using VDH overall waterworks template- of revenue and expenses (operating budget).

SECTION J – SUSTAINABILITY

1. Asset Management Plan:

To qualify for Asset Management Plan credit, a waterworks must provide documentation **as Attachment C-23** which demonstrates a minimum of the following:

- Inventory of existing assets/infrastructure, (i.e., sources, treatment, storage, etc.)
- Expected useful life of assets vs. remaining useful life
- Documentation of planned, scheduled maintenance

2. Green Project Reserve (GPR) Business Case:

All applicants must submit a completed business case. To qualify for credit as Green Project Reserve (GPR), a waterworks must show that its proposed DWSRF-funded project has significant (not incidental) green benefits. For credit the project must provide green infrastructure, promote water and/or power efficiency, or provide other innovative environmental benefits. If there are no identifiable benefits enter “zero” GPR dollars.

Applicant	
Contact Name and Phone	
Project Description and associated costs	
What project elements can be classified as potentially green?	
Technical Component	
Financial Component	
GPR Dollars Claimed	\$ and % (as % of VDH funded portion of project)
Signature/Date	